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OL 11013-89

24 April 1989



MEMORANDUM FOR: Comptroller

VIA: Deputy Director for Administration

FROM: John M. Ray
Director of Logistics

SUBJECT: Printing and Photography Group Equipment

1. This information is submitted at your request. In a recent meeting with you which addressed our FY-91 New Initiative funding, the replacement of the Atex Composition/Typesetting System, you suggested that we add \$200,000 to the initiative for maintenance costs and include funds in the out years for the replacement of other outmoded equipment in the Printing and Photography Group (P&PG). []

25X1

2. We have approximately \$20 million in capital equipment at the printing plant--almost all of it is below the industry standard and has exceeded its effective, useful life expectancy. In addition, budget cuts in P&PG have left insufficient funds in our Base Program to provide adequately for planned equipment replacement. The entire intelligence process is dependent upon this equipment. The severity of this situation is demonstrated by the fact that if the Atex system is not replaced by FY 91, P&PG will likely be out of the composition/typesetting business. []

25X1

3. During the past several years, we have been forced to rely on the unfunded requirements process for equipment replacement. In addition, we relied upon the Reston Initiative in the amount of \$6.1 million to upgrade facilities and equipment. This funding was originally to be provided in FY-89. During the past five years, we have submitted a number of initiatives to replace and improve existing equipment and the production process. None of these have survived the cut. []

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4. In view of the above and at your suggestion, we have added \$13.7 million to our FY-91 Initiative in the out years to provide scheduled equipment replacement. With these funds, we will be able to keep pace with the intelligence production demands. []

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5. Any additional information regarding this request can be obtained from , Chief, P&PG. He can be reached on extension (nonsecure).

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John M. Ray

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Attachment

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OL/P&PG (20 APR 89)

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Rewritten: O-DL/JMRAY: (21 APR 89)

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